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(Introductory Source Comment: During and immediately following the summer recess of the Bundestag, Minister of Economics and Vice Chancellor Ludwig Erhard and many of his friends believed that Adenauer had become resigned to Erhard as the logical successor to the chancellorship. Their optimism was increased by the results of various public opinion polls which rated Erhard higher than the Chancellor and showed that, whereas the latter had lost somewhat in popularity, Erhard had gained in spite of the events early in the summer. Erhard was willing to let the issues between him and the Chancellor lie dormant and not to rock the boat, although some of his supporters had warned him in August that Adenauer had no intention of keeping the truce indefinitely. The coal crisis in West Germany was looming large at this time, however, and the only remedy which was acceptable to the cabinet was bound to be contrary to the policies and ideas of Erhard. Erhard's intention was to establish more competition in the coal industry and thus eliminate the marginal mines. The Chancellor, however, had been strongly influenced by Dr. Friedrich Karl Vialon, head of the Economic and Financial Section of the Bundeskanzleramt, who reflected the views of the mining industry. Vialon was able to convince Adenauer that the German coal industry had to be kept strong and healthy and if necessary protected from foreign competition, and was determined both to achieve these ends and at the same time give Erhard all the blame for the crisis in the industry.)

1. The principal CDU supporters of Erhard, who had been scattered during the summer recess of the Bundestag, met on 14 September at Bonn to discuss the situation and map out a suitable strategy. Most, but not all, of the following principal Erhard supporters were in attendance: CDU/CSU Bundestag members Dr. Rainer Barzel, Matthias Hoogen, Hermann Hoecherl, Dr. Kurt Birrenbach, Dr. Gerd Bucerius, Ernst Mueller-Hermann, Hugo Scharnberg, Dr. Paul

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Leverkuehn, Kurt Schmuecker, Dr. Hans Wilhelm and Bundestag President Eugen Gerstenmaier.¹ In this discussion, Hoecherl held the view that the time had come for a counterattack against the Chancellor by Erhard, and that Erhard could use as the basis for his attack the growing discontent in West German industrial groups with the development of the Common Market. Hoecherl felt that German industry was now beginning to realize the dangers in such a limited market. Barzel also expressed the view that Erhard should take more aggressive action against Adenauer, since this would help the efforts then being made within the Party to curtail the sweeping powers of the Chancellor. If the party organization developed a stronger voice in shaping policy, this would be beneficial to Erhard's cause and would give the parliamentary party more influence vis-a-vis the Chancellor in any future fight. Barzel said that he had talked with CDU party whip Will Rasner and CDU Bundestag Fraktion Chairman Heinrich Krone and that they too were convinced the Chancellor should not be allowed to denigrate Erhard, who would be an indispensable asset in the next election campaign. Barzel disagreed with Hoecherl, however, that Erhard should peg his battle with the Chancellor to the Common Market issue, since this was an issue on which the majority of the CDU strongly supported Adenauer. Most of the CDU believed that the integration of Western Europe was the most promising course for West Germany's foreign policy. Schmuecker then added his view that with the impending appointment of Werner Schwarz as the new Minister of Agriculture, Erhard's position within the cabinet would be further strengthened. Schwarz had always been a more reliable supporter of Erhard than the former Minister, Heinrich Luebke. Hoogen then commented that even Labor Minister Theodor Blank was shifting toward Erhard in spite of his Ruhr area background. Blank felt deserted by the Chancellor and believed he was again on the verge of being sacrificed by Adenauer for reasons of cheap popularity on the problem of veterans' pensions.

2. It was agreed at the meeting that Hoogen and Bucerius should contact Erhard, transmit their views to him, and try to agree on a strategy. Hoogen and Bucerius did this on 15 September and reported later to the others on their mission. According to them, Erhard himself was now determined to put up a fight and was equally convinced that the issue of the Common Market and the Free Trade Area (FTA) would provide a good means of rallying support against the Chancellor. The Chancellor's stubborn refusal to modify his stand on European integration would create serious dangers for the development of German industry, according to Erhard, and Germany should stop continually paying for the other members of the community while sacrificing its own national interests. Erhard said his staff had already taken up contacts with certain industrial groups and he would get the full support from there. These groups would be willing to finance a campaign for him in which the need for enlarging the trade area beyond the six would be stressed. Hoogen informed Erhard of the plans within the Party to reduce the monolithic authority of Adenauer, but expressed doubt that these plans would be successful.

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Hoogen said there was no compelling or visible political reason which would make these plans popular with the party delegates.

3. Hoogen then tactfully suggested that Erhard take a more active interest in party affairs. Erhard waved this suggestion aside and stated that his field was not in party matters but in the government, and what he could and would do for the Party was to help it win the next election. He felt that in this present struggle it was necessary to look beyond the CDU for support and that his friends should also look to the Free Democratic Party (FDP). He claimed that many FDP leaders thought as he did about the Common Market and the Free Trade Area. Both Hoogen and Bucerius argued against this, saying that any collusion with the FDP would be used by Adenauer against Erhard in deadly fashion both within the caucus and in private talks with leading party members. To counteract this fear, Erhard described his own increased popularity, the decline of the Chancellor's position in public opinion, and also the present trend in international politics which favored him and was apt to isolate Adenauer. He argued that people in the CDU should realize this. When he was told that his defeat on the fuel oil tax would hurt his own position and that not all events would necessarily work in his favor, he said gloomily that the trouble with the CDU was it always hailed him when there was visible success and deserted him when he tried to stand up for a principle which had unpleasant consequences. Erhard continued that Adenauer was giving in on domestic issues to pressures from the Party's left wing with increasing frequency only to be able to continue his fixed policies in foreign affairs. Erhard said he shuddered at the thought of what would happen in an election year. Adenauer would have to face many more demands of a "welfare state" variety, and would succumb to them in order to be reelected. This would create a situation which would be very difficult to correct thereafter.
4. Toward the end of September, Dr. Franz Meyers, Minister-President of Land Nordrhein-Westfalen, had a talk with the Interior Minister of that Land, Josef-Hermann Dufhues, and other CDU officials of the Land about party finances and said that he had heard from authoritative industrial leaders that they would make their contributions to the next CDU nationwide campaign dependent on a clear position of the Party concerning its economic policy. They wanted continued adherence to Erhard's principles and also a more national attitude toward the development of the European economic integration. According to Meyers, they had also said that the CDU would have to make it clear that Erhard would be their next candidate for Chancellor. They felt that only Erhard could guarantee more sympathetic attention in the future to sound economic principles in the field of foreign affairs. Erhard also represented the only guarantee that the European Economic Community (EEC) could not do serious harm to the interests of German industry. Dufhues was suspicious of all this and questioned whether this group was sufficiently representative of the CDU's industrial supporters, believing that they might have been people

who were asked by Erhard to make such statements. Meyers maintained, however, that the businessmen involved were quite important and had no personal contact with Erhard. Meyers said the Party should do something about this before it was too late; he was convinced there was only one choice for the next chancellor in the public's view, and that was Erhard. Dufhues agreed that the Party should act soon and not let Adenauer continue his delaying tactics, but said it would be difficult to get much support from the parliamentary group of the Party.

5. During September the advertising campaign for Erhard was initiated.² The funds for the campaign came from a number of industrialists, and some officials of the Deutsches Institut also provided assistance. The collection of donations was made easier through a tax loophole which allowed that donations not given directly to a political party (in which case they would not have been deductible), could be regarded as advertising, and therefore deductible. In agreement with the donors, the campaign was to stress the need for the FTA and an enlargement of the FEC so as to incorporate the Outer Seven. The campaign was intended to influence the Bundestag and help set the stage for a Bundestag debate on European integration in early November. For this purpose Erhard's supporters were to introduce an interpellation and force a debate, claiming the Government had promised at the time the EEC treaty was approved that it would be linked to the Free Trade Area and would be open to additional nations. Erhard reportedly was confident that the debate would give him increased support and could later be used by him in discussing the matter with the cabinet. Once he had the support of the majority of CDU Bundestag members, Erhard felt he could then also win majority support in the cabinet.
6. In the first week of October, Adenauer learned about Erhard's plans through Dr. Heinrich Krone, who in turn had heard of them from Rasner in a discussion of the planned work of the CDU Bundestag Fraktion. Krone later said privately that he had only wanted to get the Chancellor's cooperation for the planned debate on European integration and was surprised at his violent reaction. Adenauer claimed that Erhard intended to destroy the very foundation of the EEC, which was important not so much for its economic provisions but as the foundation of political integration in Western Europe. This should not be sacrificed for such trade schemes as Erhard had in mind. Adenauer added that British opposition to the EEC was not really against the trade provisions but against the progress of European integration in general. For Adenauer, there was no compromise possible on this issue and whoever wanted to change the EEC would have to fight it out with him.
7. On 12 October, Adenauer called a special cabinet session on the EEC to be convened on 15 October. Erhard called his advisors and

they mapped out a plan, according to which Erhard would advocate a policy whereby individual members of the EEC should have the right to negotiate with the Outer Seven and arrive at a possible agreement, which would then go before the EEC for approval. Should the EEC not be able to agree, then by majority decision within the EEC a date would be set, by which time a compromise with the Outer Seven or any individual country of the Outer Seven should be negotiated. If this date should pass without success, individual members of the EEC would be free to make their arrangements with any of the Outer Seven.

8. In the 15 October cabinet session, Erhard was not only confronted with Walter Hallstein, President of the Commission of the EEC, but also with Dr. Fritz Hellwig, former chairman of the Economic Committee of the Bundestag and now one of the two German members on the High Authority of the European Coal and Steel Community (ECSC). Erhard's plan was vigorously opposed by Hallstein who claimed it would inevitably lead to the dissolution of the EEC. Hallstein said it was incorrect to say that the blame for unsuccessful negotiations between the Common Market and the Outer Seven rested with the EEC. The Outer Seven were simply unwilling to agree to any sensible proposal because they were still hoping for precisely what Erhard had suggested, namely that the EEC would negotiate individually with them and thus enable them to split the EEC. No member nation of the EEC should ever have any right to individual negotiations, since this would weaken the group and endanger the progress of integration.
9. Although Erhard received support from several cabinet ministers,³ Adenauer sharply rebuked him for having fallen for a "British trick" and the British desire to frustrate the integration of the continental powers. He said West Germany had signed the EEC treaty not to get immediate economic advantages but because it was a necessary step toward European integration. On this foundation, as Hallstein had said, political integration would be able to proceed, but only if there was no interference with the coherence of the group. Erhard then insisted this would mean that the EEC could never widen its scope, since the other European nations were unwilling to submit to the direction of an international bureaucracy. Erhard also said that the EEC would seriously harm the development of German industry, and cited examples such as the adverse effects on the sale of German automobiles within the EEC. Adenauer answered brusquely that this was not primarily an economic problem. It was a matter of government policy and the very foundation of his ten-year effort to bring about European integration. He would not allow anybody to interfere with this policy either in his own party or abroad. His policy had brought the Federal Republic back into the community of respectable nations and had made it possible to stop the progress of international communism. The Federal Republic, with its economic strength, would have to help eliminate

communism in the other Western European states and make them a solid bulwark for the future. This might mean some sacrifices, but they were unimportant in view of the larger goals.

10. Erhard emphasized again that he was not opposed to European integration, but that he thought present developments in the EEC would only lead to a further split in Europe. The Common Market would in fact suffer if German economic strength was sapped too much. He added that West Germany was much more dependent upon exports than any of the other members. Hellwig interjected that Erhard had used the same arguments against the Coal and Steel Community some years ago, but now had turned to that very organization for support in the coal crisis. Erhard violently denied that he had and objected to this remark. Foreign Minister Heinrich von Brentano then intervened, and said there were two separate problems to keep in mind, one economic, the other political, and each of them of about equal importance.
11. Finally, Adenauer said that he had helped found the EEC and that under the present circumstances it might be much harder to do it again. Therefore, the EEC would have to continue acting as a group and not individually. He did not object to liberal trade practices as long as they did not interfere with the political core of the matter. To make it quite clear, and in view of other efforts (Bestrebungen) in the Bundestag, Adenauer said that the cabinet should again take a fixed position along this line. Before the vote was taken, Erhard left, on the pretext of going to the Bundestag, feeling that his plan was defeated. Erhard then discussed the situation with his advisors in the Bundestag, who urged him to insist on a debate of the matter. On the same day, 15 October, Erhard discussed this with Hoogen and Barzel, who both felt that in view of the cabinet decision it would be difficult to get majority support in the Bundestag, since the backbenchers would feel that they had to abide by the cabinet vote. Erhard talked also with three of his close advisors, Dr. Hohmann, Chief of the Public Relations Section of the Economics Ministry; Dr. Wolfram Langer, Chief of the Economic Policy Section of the Ministry and a political supporter of Erhard; and his private public relations advisor Dr. (fnu) Blohme. The latter suggested that Erhard solicit the support of the FDP. Erhard said he felt that Adenauer had been unfair in this cabinet session. Adenauer would have made it appear that he was an enemy of European integration if he had continued the fight. He also felt that this might happen again if the subject were discussed in the Bundestag. Erhard said there were simply not enough people on whom he could rely and perhaps it would be best to give up the fight for the time being and wait for a better opportunity. Langer tried to convince Erhard that he would have to persist, since this concerned not only whether he would succeed the Chancellor but was of the utmost importance for the future of the German economy. Despite these pleas, Erhard told them he was not in a mood to fight at this time.

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12. On 17 October, Erhard had talks with leaders of the CSU and Bavarian industrial representatives in the CSU Economic Council (in which financial backers of the CSU are concentrated). Erhard was assured that these groups supported him in his fight for the FTA. One Augsburg industrialist and personal friend of Erhard, Otto A. H. Vogel, told Erhard that the industrialists of Bavaria all believed the time had come to force a change in Adenauer's economic policy. This industrialist felt that Adenauer was blind to the danger of his policy both in the political field and the economic field, because of his favoritism to the French. Erhard was the only man with the mass popularity to bring about the necessary changes and he would have to force the issue.
13. At the tenth anniversary celebration of the Bundesverband der Deutschen Industrie (BDI), on 19-20 October, Erhard talked with several leading members, including BDI President Fritz Berg, and received more general support for his policy on European integration than he himself had expected. The industrialists intimated they would support Erhard for Chancellor in 1961, but that he would have to do something now to prevent the EEC from adopting irrevocable decisions which could not be changed after Adenauer's demise. It was agreed that Erhard and the BDI would keep in closer contact on these matters and that the BDI would use its influence in the CDU in his favor.

Field Comments

1. The source was unable to name all those Erhard supporters who were actually present at the meeting.
2. The principal initial result of this campaign was a large advertisement appearing in numerous West German newspapers and magazines early in October entitled Six Plus Seven Plus Five Equals One. The advertisement consisted of a statement signed by Erhard, which carefully refrained from attacking the Common Market (the "Six"), but described the Common Market as a transitional phase which should grow into a West European-wide free trading area including the Outer Seven and the other countries not aligned with either group.
3. The source could not identify the cabinet ministers who supported Erhard on this issue.

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